

PREVAILED

Roll Call No. \_\_\_\_\_

FAILED

Ayes \_\_\_\_\_

WITHDRAWN

Noes \_\_\_\_\_

RULED OUT OF ORDER

## HOUSE MOTION \_\_\_\_\_

MR. SPEAKER:

I move that Engrossed Senate Bill 1 be amended to read as follows:

1 Page 3, between lines 9 and 10, begin a new paragraph and insert:  
2 "SECTION 2. IC 6-1.1-12-37 IS AMENDED TO READ AS  
3 FOLLOWS [EFFECTIVE JANUARY 1, 2006]: Sec. 37. (a) Each year  
4 a person who is entitled to receive the homestead credit provided under  
5 IC 6-1.1-20.9 for property taxes payable in the following year is  
6 entitled to a standard deduction from the assessed value of the real  
7 property, mobile home not assessed as real property, or manufactured  
8 home not assessed as real property that qualifies for the homestead  
9 credit. The auditor of the county shall record and make the deduction  
10 for the person qualifying for the deduction.

11 (b) Except as provided in section 40.5 of this chapter, the total  
12 amount of the deduction that a person may receive under this section  
13 for a particular year is the lesser of:

14 (1) one-half (1/2) of the assessed value of the real property,  
15 mobile home not assessed as real property, or manufactured home  
16 not assessed as real property; or

17 (2) ~~thirty-five~~ **forty-two** thousand dollars (~~\$35,000~~). (**\$42,000**).

18 (c) A person who has sold real property, a mobile home not assessed  
19 as real property, or a manufactured home not assessed as real property  
20 to another person under a contract that provides that the contract buyer  
21 is to pay the property taxes on the real property, mobile home, or  
22 manufactured home may not claim the deduction provided under this  
23 section with respect to that real property, mobile home, or  
24 manufactured home.

25 SECTION 3. IC 6-1.1-12-44 IS ADDED TO THE INDIANA

CODE AS A NEW SECTION TO READ AS FOLLOWS  
[EFFECTIVE UPON PASSAGE]: Sec. 44. (a) As used in this section,  
"agricultural land" refers to land that is assessed as agricultural  
land under IC 6-1.1-4-13.

(b) As used in this chapter, "farm" means one (1) or more tracts  
of agricultural land with common ownership that are:

- (1) devoted to an agricultural use;
- (2) located in one (1) county; and
- (3) contiguous, as determined without regard to any  
intervening public, public utility, or transportation easements  
or rights-of-way.

(c) As used in this section, "farm owner" means a person who:

- (1) is an owner of a farm; and
- (2) either is:
  - (A) an individual who:
    - (i) actively participates in; and
    - (ii) alone or with one (1) or more other individuals  
substantially owns and controls;  
the use of the agricultural land; or
  - (B) a corporation (as defined in IC 6-3-1-10) or a  
partnership (as defined in IC 6-3-1-19) that, directly or  
indirectly, is substantially owned and controlled by one (1)  
or more individuals who actively participate in and  
substantially control the use of the agricultural land.

(d) As used in this section, "total farmland acreage" means total  
farmland acreage, as determined for agricultural land under the  
rules adopted by the department of local government finance.

(e) Beginning with property taxes first due and payable in 2006,  
a farm owner is eligible in each year for a farmstead deduction  
from the assessed valuation of the farm owner's farm. A farm  
owner is entitled to only one (1) farmstead deduction under this  
section, regardless of the number of farms in which the farm owner  
has an ownership interest.

(f) The amount of the farmstead deduction is equal to the lesser  
of the following:

- (1) The amount specified in section 37(b)(2) of this chapter  
that is applicable to the year.
- (2) Twenty percent (20%) of the assessed valuation of the total  
farmland acreage in the farm.

If the farm consists of more than one (1) tract that receives  
separate tax statements under IC 6-1.1-22-8, the farmstead  
deduction shall be allocated among the tracts in conformity with  
the rules adopted by the department of local government finance.

(g) To obtain the farmstead deduction under this section, a farm  
owner must file a certified statement in duplicate:

- (1) on forms prescribed by the department of local

1 government finance; and  
 2 (2) containing the information required by the department of  
 3 local government finance;  
 4 with the county auditor of the county in which the agricultural land  
 5 is subject to assessment. The statement must be filed before May 10  
 6 of the year containing the assessment date for the first year to  
 7 which the farmstead deduction is to be applied. Upon verification  
 8 of the statement by the township assessor of the township in which  
 9 the agricultural land is subject to assessment, the county auditor  
 10 shall allow the farmstead deduction.

11 (h) A person who receives a farmstead deduction under this  
 12 section for a particular year and who remains eligible for the  
 13 farmstead deduction for the following year is not required to file a  
 14 statement to apply for the farmstead deduction for the following  
 15 year.

16 (i) A person who receives a farmstead deduction provided under  
 17 this section for a particular year and becomes ineligible for the  
 18 farmstead deduction for the following year shall, before March 31  
 19 of the year for which the person becomes ineligible, notify the  
 20 county auditor of the county in which the agricultural land for  
 21 which the person received the farmstead deduction is located of the  
 22 person's ineligibility. The filing of an amended application under  
 23 subsection (k) meets the requirements of this subsection.

24 (j) The county auditor of each county shall, in a particular year,  
 25 apply a farmstead deduction provided under this section to each  
 26 person who received the farmstead deduction in the preceding year  
 27 unless the auditor determines that the person is no longer eligible  
 28 for the farmstead deduction.

29 (k) The following do not terminate eligibility for a farmstead  
 30 deduction under this section:

31 (1) A change in ownership or control of agricultural land if:

32 (A) a person who is a farm owner after the change in  
 33 ownership or control files, before March 31 after the  
 34 change in ownership or control occurs, an amended  
 35 application with the county auditor in the county in which  
 36 the farm is located, in the form prescribed by the  
 37 department of local government finance; and

38 (B) the agricultural land otherwise continues to qualify for  
 39 the farmstead deduction under this section after the change  
 40 in ownership or control.

41 (2) A change in the ownership or control of a corporation (as  
 42 defined in IC 6-3-1-10) or a partnership (as defined in  
 43 IC 6-3-1-19) that owns agricultural land, if the corporation or  
 44 the partnership:

45 (A) files, before March 31 after the change in ownership or  
 46 control occurs, an amended application with the county

1 auditor in the county in which the agricultural land is  
 2 located, in the form prescribed by the department of local  
 3 government finance; and

4 (B) otherwise continues to qualify for the farmstead  
 5 deduction under this section after the change in ownership  
 6 or control.

7 In applying subdivision (1) or (2) after the death of a farm owner  
 8 or a shareholder, partner, member, or beneficiary of a farm owner,  
 9 the person who is entitled to receive the property interest of the  
 10 deceased person shall be treated as an owner of the deceased  
 11 person's interest while the interest is in the estate of the deceased  
 12 person."

13 Page 61, between lines 20 and 21, begin a new paragraph and insert:  
 14 "SECTION 45. [EFFECTIVE UPON PASSAGE] (a) The  
 15 definitions in IC 6-1.1-1 and IC 6-1.1-12-44, as added by this act,  
 16 apply throughout this SECTION.

17 (b) IC 6-1.1-12-37, as amended by this act, and IC 6-1.1-12-44,  
 18 as added by this act, apply only to property taxes first due and  
 19 payable after December 31, 2005, for an assessment date after  
 20 February 28, 2005.

21 (c) Notwithstanding IC 6-1.1-12-44, as added by this act, the  
 22 time in which a person may file the initial application for a  
 23 deduction under IC 6-1.1-12-44, as added by this act, for property  
 24 taxes first due and payable in 2006 is extended from May 10, 2005,  
 25 to the close of regular business hours for the office of the county  
 26 auditor on September 2, 2005.

27 (d) The department of local government finance may adopt  
 28 temporary rules in the manner provided for the adoption of  
 29 emergency rules under IC 4-22-2-37.1 to implement this SECTION.  
 30 A temporary rule adopted under this SECTION expires on the  
 31 earliest of the following:

32 (1) The date another temporary rule is adopted under this  
 33 SECTION to supersede the previously adopted temporary  
 34 rule.

35 (2) The date that a permanent rule superseding the temporary  
 36 rule is adopted and becomes effective under IC 4-22-2.

37 (3) January 1, 2007."

38 Renumber all SECTIONS consecutively.

(Reference is to ESB 1 as printed March 15, 2005.)

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Representative Oxley